

Legislative Brief

HCR - ACA Reporting of Health Coverage

June 2015

IRS RELEASES 2015 DRAFT FORMS

SUMMARY:

- On June 16, 2015, the IRS released 2015 draft forms for Sections 6055 & 6056 reporting.
- Instructions for the 2015 forms have not yet been released.
- The 2015 draft forms are largely unchanged from the 2014 versions.
- These are draft versions only and should not be filed with the IRS or relied upon.

The Affordable Care Act (ACA) created new reporting requirements under Internal Revenue Code (Code) Sections 6055 and 6056. Under these new reporting rules, certain employers must provide information to the IRS about the health plan coverage they offer (or do not offer) or provide to their employees. Reporting is first required in 2016, related to coverage offered or provided in 2015.

On June 16, 2015, the Internal Revenue Service (IRS) **released 2015 draft versions** of the forms that employers will use to report under Sections 6055 and 6056. [Instructions for the 2015 forms have not yet been released.](#)

[Form 1094-B](#) and [Form 1095-B](#) will be used by entities reporting under **Section 6055**, including sponsors of self-insured group health plans that are not reporting as applicable large employers (ALEs).

[Form 1094-C](#) and [Form 1095-C](#) will be used by ALEs that are reporting under **Section 6056**, as well as for combined reporting by ALEs who sponsor self-insured plans that are required to report under both **Sections 6055 and 6056**.

Except for a few minor changes, as explained below, the 2015 draft forms are largely unchanged from the 2014 versions.

These 2015 forms and instructions are **draft versions only** and should not be filed with the IRS or relied upon for filing. The IRS may make changes prior to releasing final 2015 versions.

2015 DRAFT FORMS

The 2015 draft forms are largely unchanged from the 2014 versions. However, the following minor changes were included in the 2015 draft versions:

- The 2015 draft Form 1095-C includes an additional field under Part II, titled "Plan Start Month." This new field is **optional for 2015**, but will be required for 2016 and beyond. For 2015, ALEs can choose to:
 - ◆ Add this field and provide plan year information;
 - ◆ Add this field and enter "00"; or
 - ◆ Leave this new field out (thus using the 2014 format).
- The 2015 draft Form 1095-B and Form 1095-C include a "Continuation Sheet" that filers will use if they need to report coverage information for more than six individuals.
- The 2015 draft Form 1094-C moved Line 19 (regarding the authoritative transmittal) to be included in Part I. Line 19 was previously included as the first line of Part II.
- The 2015 draft Form 1094-C seems to allow information to be entered in the "All 12 months" box in Part III, Column (b): Full-Time Employee Count for ALE Member (this box is no longer grayed).
- The 2015 draft Form 1095-B and Form 1095-C no longer include an "Instructions for the Recipient" page. However, this could be added back into the final versions of the 2015 forms.

In addition, according to a note on the 2015 draft Form 1095-C, the IRS intends to include two additional “Offer of Coverage” codes for 2016 and beyond. Although the “Offer of Coverage” codes will remain unchanged for 2015, the IRS plans to include these additional codes in 2016 and beyond which an employer would use, if applicable, to indicate that the employer’s offer of coverage to an employee’s spouse is a conditional offer. In a presentation on June 23, 2015, the IRS indicated that details regarding these two new indicator codes will be provided in the form of an FAQ.

OVERVIEW OF SECTIONS 6055 AND 6056

The Code Sections 6055 and 6056 reporting requirements are intended to promote transparency with respect to health plan coverage and costs. They will also provide the government with information to administer other ACA mandates, such as the employer and individual mandates. **The Section 6055 and 6056 reporting requirements take effect in 2015.** The first returns will be due in 2016 for coverage provided in 2015. Employers may voluntarily comply with the reporting requirements for 2014, but doing so is optional.

REPORTING REQUIREMENTS

Under both Sections 6055 and 6056, each reporting entity will be required to file all of the following with the IRS:

- A separate **statement** (Form 1095-B or Form 1095-C) for each individual who is provided minimum essential coverage (for providers reporting under Section 6055), or for each full-time employee (for ALEs reporting under Section 6056); and
- A single **transmittal form** (Form 1094-B or Form 1094-C) for all of the returns filed for a given calendar year.

These forms must be filed with the IRS annually, no later than **Feb. 28** (or **March 31**, if filed electronically) of the year following the calendar year to which the return relates. The first returns required to be filed are for the 2015 calendar year and are due no later than **Feb. 29, 2016**, (Feb. 28, 2016, being a Sunday), or **March 31, 2016**, if filed electronically. Any reporting entity that is required to file at least 250 returns under either Section 6055 or Section 6056 must file electronically.

In addition, each reporting entity will be required to furnish statements annually to individuals who are offered or provided minimum essential coverage (for ALEs, this includes only full-time employees) on or before **Jan. 31** of the year immediately following the calendar year to which the statements relate.

The 2015 statements must be furnished no later than **Feb. 1, 2016** (Jan. 31, 2016, being a Sunday). Extensions may be available in certain circumstances.

ADDITIONAL RESOURCES

The IRS previously released the following final 2014 versions on Feb. 8, 2015:

- Forms [1094-B](#) and [1095-B](#) (and related [instructions](#)); and
- Forms [1094-C](#) and [1095-C](#) (and related [instructions](#)).

These forms are **not required to be filed for 2014**, but reporting entities may voluntarily file them in 2015 for 2014 coverage.

The IRS also released:

- [Q&As on Section 6055](#) and [Q&As on Section 6056](#), which were both updated in May 2015; and
- A separate set of [Q&As on Employer Reporting using Form 1094-C and Form 1095-C](#), on May 28, 2015.

Please contact your Client Executive at Kapnick Insurance Group for more information regarding ACA health coverage reporting for employers.

The health care reform law—the Affordable Care Act (ACA)—has many complex requirements for employers and health plans. Please contact Kapnick Insurance Group with any questions about how you can prepare for any of the health care reform requirements. This Kapnick Insurance Group Update is not intended to be exhaustive nor should any discussion or opinions be construed as legal or tax advice. The information contained in this communication is intended to provide general information regarding health care reform and related topics, and is based on general information available at the time it was prepared. Readers should contact their tax and/or legal counsel for advice that is appropriate to their specific circumstances. This information cannot be used by any taxpayer to avoid tax penalties.

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